




MEMORANDUM

TO: Mayor and City Council

CC: Spencer Cronk, City Manager
Robert D. Goode, Assistant City Manager

FROM: Jackie A. Sargent, General Manager, Austin Energy 

DATE: June 27, 2018

SUBJECT: Austin Energy General Manager's Report – June 2018

Due to the busy Council schedule at the end of this month, Chair Leslie Pool canceled the June meeting of the Austin Energy Utility Oversight Committee. The next scheduled meeting of the Committee is September 26. This memorandum contains information that would have been shared during the June General Manager's Report as well as the presentations that staff was prepared to make. If you or your staff have questions or concerns, please contact me.

Upcoming items for Council

SCADA hardware – At your June 28 meeting, we have a five-year, \$4.8 million dollar contract through the State of Texas Department of Information Resources with Freeit Data Solutions Inc., to provide hardware supporting the upgrades of our Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS) and Advanced Distribution System Management (ADMS). The SCADA/EMS system is essential for safely and reliably operating our transmission and distribution system. City Council approved the necessary software for the upgrade at your June 14 meeting.

Electric vehicle charging infrastructure – In August, we have a four-year, \$3.2 million construction contract with ChargePoint Inc. being brought forward by Capital Contracting to provide equipment, design, and construction services for electric vehicle charging infrastructure. This contract will serve both City Fleet and Austin Energy – Fleet Services will be installing 330 charging stations in support of City fleet electrification, including approximately 65 charging stations for Austin Energy fleet utilization. Austin Energy will also use this contract to support the deployment of additional Direct Current Fast chargers as called for in the 2017 Resource Plan update.

Software procurements – Also in August, we are bringing forward an amendment increasing the authority of two contracts with Sirius Computer Solutions, Inc., for IBM software products by approximately \$5.9 million for a revised authority amount not to exceed about \$18.2 million. This software will support the upgrade and enhancement of AE's Maximo asset and inventory management system and improve cyber-security through security upgrades.

Another software item scheduled for your consideration in August is a 38-month, \$14 million city-wide contract with RFD & Associates, Inc. to provide Oracle software licensing and maintenance. Austin Energy's portion is approximately \$12 million. This database software supports many of our core systems including: Maximo inventory and asset management, systems supporting Energy Market Operations, customer facing websites, and the utility's meter data management system.

District cooling equipment – After your summer break, staff anticipates bringing back a contract through Capital Contracting with SpawGlass to install district cooling equipment on the roof of the Austin Convention Center (withdrawn from May 24 Council meeting). A joint memo with more detail describing the project, the process used to determine the project location, and alternatives considered will be sent prior to the item going to City Council; however, the main points are that this project is needed to match the growth in demand for chilled water downtown, and this project does not preclude options for Convention Center renovation or expansion.

Program updates

School district participation in Load Cooperative program – We are happy to report that as of this summer, all of the school districts served by Austin Energy are participating in our Load Cooperative summer demand response program. School districts in Austin Energy's service territory include: Austin, Del Valle, Eanes, Lake Travis, Leander, Round Rock, Manor, and Pflugerville. The Load Cooperative program is voluntary for demand rate commercial customers who can reduce energy use during peak demand periods. Participating customers receive notification to curtail usage where possible during peak summer days and receive \$1.45 per kWh reduction. This is used to reduce demand on the days of highest projected usage on the ERCOT grid from June through September. This reduces our share of the ERCOT load, thereby reducing the amount we pay ERCOT.

2018 International Science and Engineering Fair – The Austin Energy Regional Science Festival is a big part of Austin Energy's commitment to education in the areas of science, technology, engineering, and math (STEM). 2018 was the 20th year of Austin's sponsorship of the competition, and almost 2,900 students participated from 260 public, private, and home schools throughout the region. This year, for the first time, all seven students who advanced to the international science festival from the Austin fair were young women, and they represented us well winning a total of five prizes in global competition.



Austin Energy Regional Science Festival Best of Fair winners at the 2018 Intel International Science and Engineering Fair in Pittsburgh, Pennsylvania.

left to right: Varisha Masroor, Rushmia Hoq, Megan Cantwell, Raneen Aljamal, Stephanie Brown, Judy Zhou, Sindhuja Uppuluri

Recent awards

2018 Public Power Utility of the Year – The Smart Electric Power Alliance (SEPA) has named Austin Energy the 2018 SEPA Power Players Public Power Utility of the Year. The SEPA Power Players Awards are the premier industry accolade that honor utilities, their industry partners, and individual thought leaders providing the vision and momentum for the electric power industry's smart transition to a clean, modern energy future. Austin Energy was selected based on our Austin SHINES, Community Solar, and Electric Drive work.

US Conference of Mayors' Climate Protection Award – Austin Mayor Steve Adler accepted the 2018 Mayors' Climate Protection Award on June 8 for Austin Energy's Community Solar Program. The award is an initiative sponsored by The U.S. Conference of Mayors (USCM) and Walmart and was presented to Mayor Adler during the Mayors' Climate Protection Awards luncheon at USCM's 86th Annual Meeting in Boston. Austin won in the category of "Large Cities," beating out competitors including New York City, Seattle, Portland, and San Jose. In addition to Austin Energy's Community Solar program, Austin was recognized for its efforts to expand access to solar while meeting substantial renewable energy and greenhouse gas reduction goals.

Employee recognition

This summer, Austin Energy selected 25 interns out of almost 1,000 applications to gain experience in different departments throughout the utility. In addition to their summer programs, interns participate in a number of development opportunities including tours of Austin Energy's operations, training sessions with ERCOT, and career management. The interns also have the opportunity to network with the Austin Energy team and others throughout the summer in events such as: Lunch with the General Manager and National Intern Day at City Hall on July 26th that will bring all of the City's interns together for a day of speakers and activities.

This diverse group represents 13 universities across the country including: Prairie View A&M, Houston-Tillotson University, University of Texas, Texas A&M, Texas State University, Texas A&M - Corpus Christi, Texas Tech, UT San Antonio, UT Dallas, Virginia Tech, Arizona State University, University of Illinois, and University of California Berkeley.



Staff presentations

In addition to the General Manager's report, staff prepared three presentations that are attached.

1. Customer Collaboration update – Customer calls typically spike in the summer months as utility bills climb due to increased energy and water use. This presentation provides an overview of our Utility Contact Center including its operations, how we gather feedback from our customers, and training/coaching for our employees.
2. Utility Bills and Summer Savings – This presentation demonstrates some of the efforts taken by Austin Energy and Austin Water to help our customers manage increased consumption due to increased summer temperatures. This presentation was also given to the Electric Utility Commission at its June 18 meeting and the Resource Management Commission at its June 19 meeting.
3. Corporate Services report – Fleet Services – The June Corporate Services report includes the status of Austin Energy's fleet program, interaction with City Fleet Services, and our strategy to meet environmental initiatives.



Customer Collaboration Update

Presented to Austin Energy Utility Oversight Committee

Kerry Overton, Deputy General Manager, Chief Customer & Compliance Officer

Jerry Galvan, Vice President, Customer Care

June 27, 2018





Overview



AUSTIN CODE
DEPARTMENT





Customer Care Operations

Customer Care Services (Front Office)

Austin 311

*provides information and
connects citizens with
COA services*

Utility

Contact Center

*provides customer service
for all utility customers*

Customer Services Management

*handles utility escalations
and Customer Assistance
Program*

Customer Account Management (Back Office)

Revenue Measurement & Control

*provides Meter Read
Services & Data for Billing*

Billing Services

*manages Bill Production,
Payment Processing and
Collections for all utility
accounts*

Quality Management

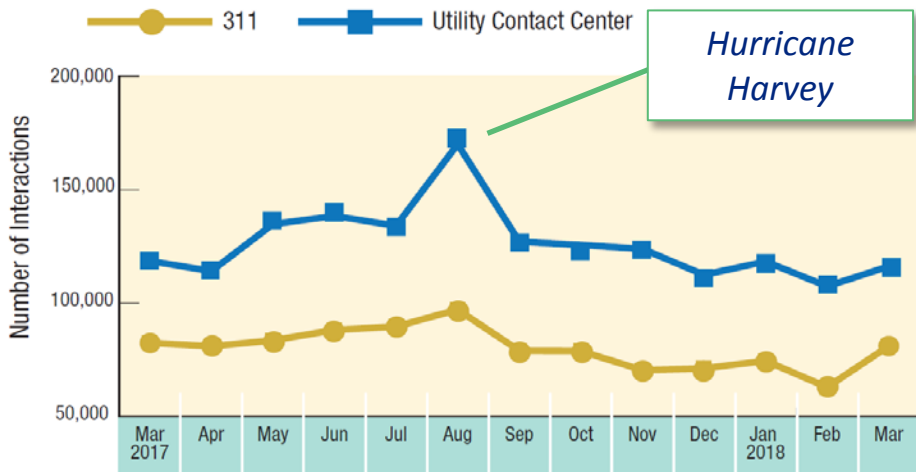
*provides Business Process
Improvements & Training*





Customer Interactions & Call Answer Time

Customer Interactions



Both centers experience seasonal fluctuation in call volume.

Call Answering time is managed through improved staffing levels and training.

Call Answering Time (Service Levels)

Month	Mar 2017	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2018	Feb	Mar 2018
Utility Contact Center (%)	89	90	90	91	90	91	90	90	86	93	93	95	94
311 (%)	95	92	94	91	86	87	91	95	96	95	95	94	90

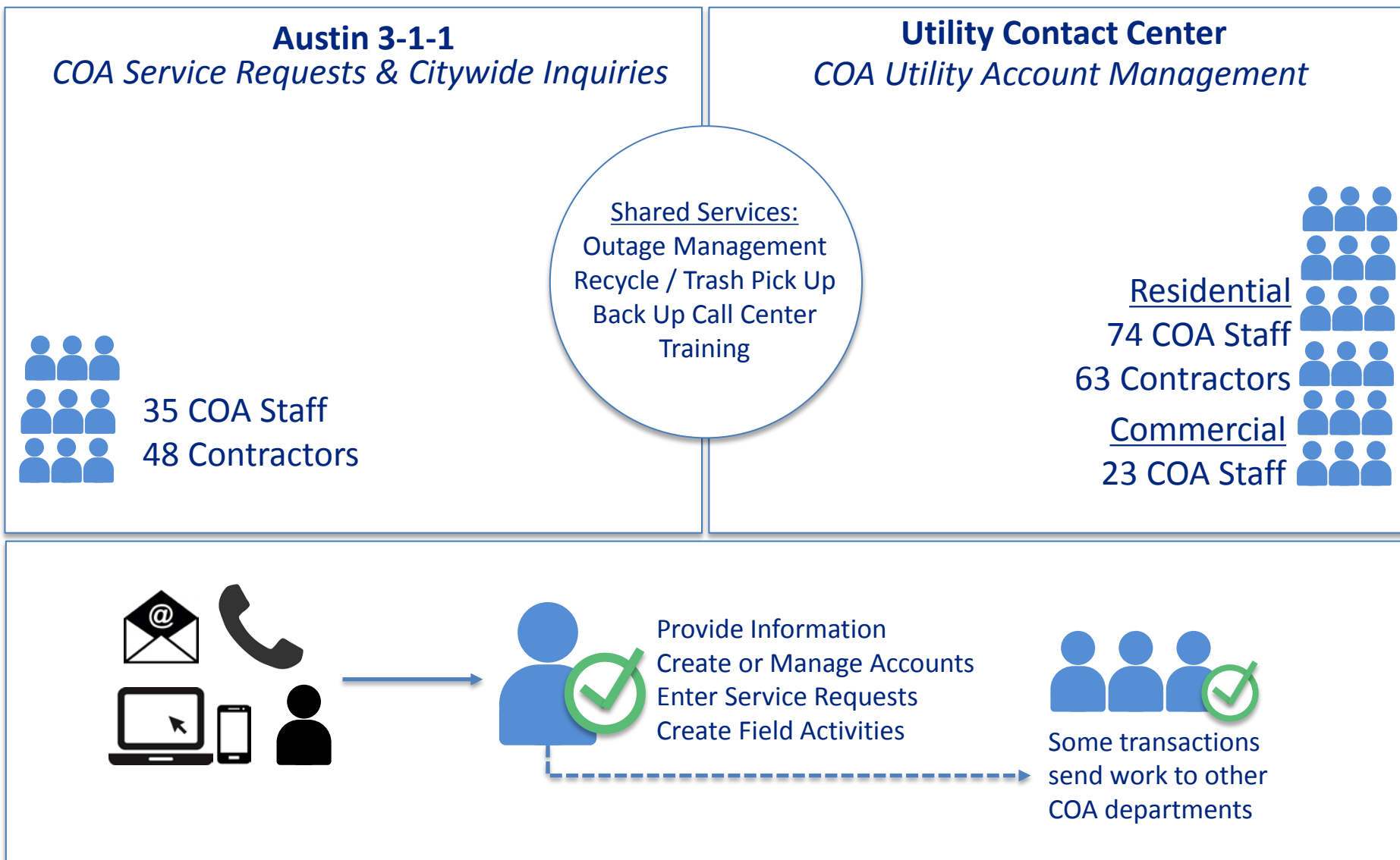
94% of UCC calls answered in 90 seconds or less

90% of 311 calls answered in 30 seconds or less

Target: 90%



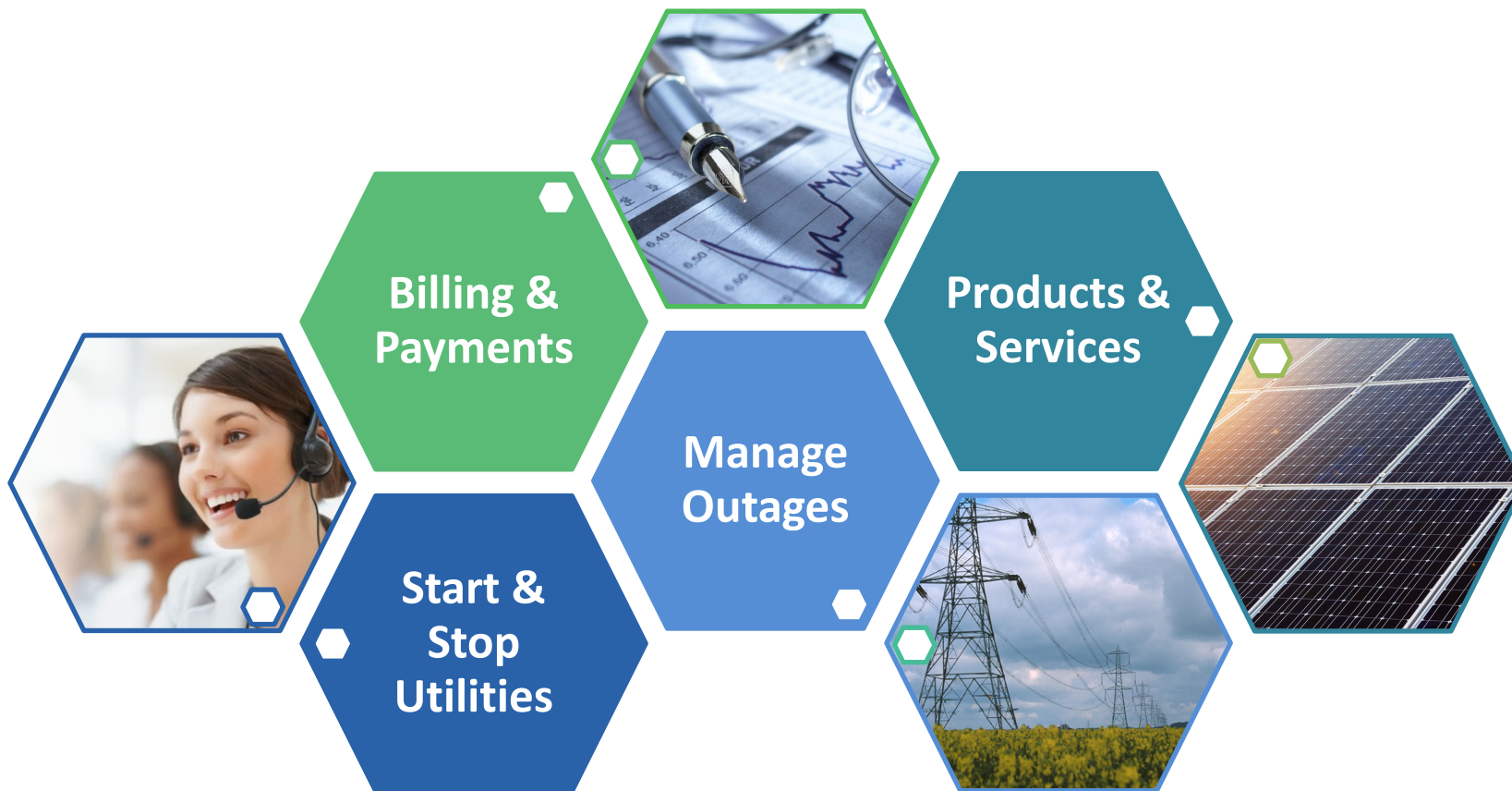
Austin 3-1-1 & Utility Contact Center Operations





Utility Contact Center: Customer Interactions

The Utility Contact Center handles a variety of interactions on behalf of 6 COA Departments.





Utility Contact Center: Customer Feedback

Customer Initiated

Direct Customer Feedback

*Via phone,
email, social
media, etc.*

Internal Surveys: Transaction Specific

After Call Survey

*Customer stays
on the line to
provide
immediate
feedback*

First Call Resolution

*Outbound call
7-10 Days after
transaction*

External Surveys: Overall Satisfaction (Austin Energy)

Voice of the Customer

*Ranks what
matters most to
the customer*

JD Power

*Benchmarking
and ranking
against other
utilities*

“Great service, very fast on getting answers and professional.”

- April 2018 First Call Resolution Survey Comments



Utility Contact Center: Training & Coaching

New Hire Program

Two part program includes instructor-led training and phone time

Supplemental & Refresher Training

Topic specific content delivered through team huddles, e-learning, and instructor-led courses

Call Quality Program

Ongoing coaching program provides feedback on recorded calls



Utility Contact Center: Empathy Training Program

January

Developed RFP
for Training
Vendor

April

Selected
Vendor and
met with
consultants

May

Conducted
Training for
Trainers, Leads
& Escalations

June

Implement
Training in
Utility Contact
Center

- Training began in May, with Utility Contact Center implementation beginning in June
- Multiple courses to be delivered to Utility Contact Center on an ongoing basis
- Course content incorporated into current New Hire Training class
- Initial Topics include:
 - ✓ Principles of Empathy & Tone
 - ✓ Conversational 'Bookends' & Word Choices
 - ✓ Handling High Bill Calls



Questions?

Thank you!





Customer Driven. Community Focused.

Attachment 2



Utility Summer Savings Campaign

June 2018

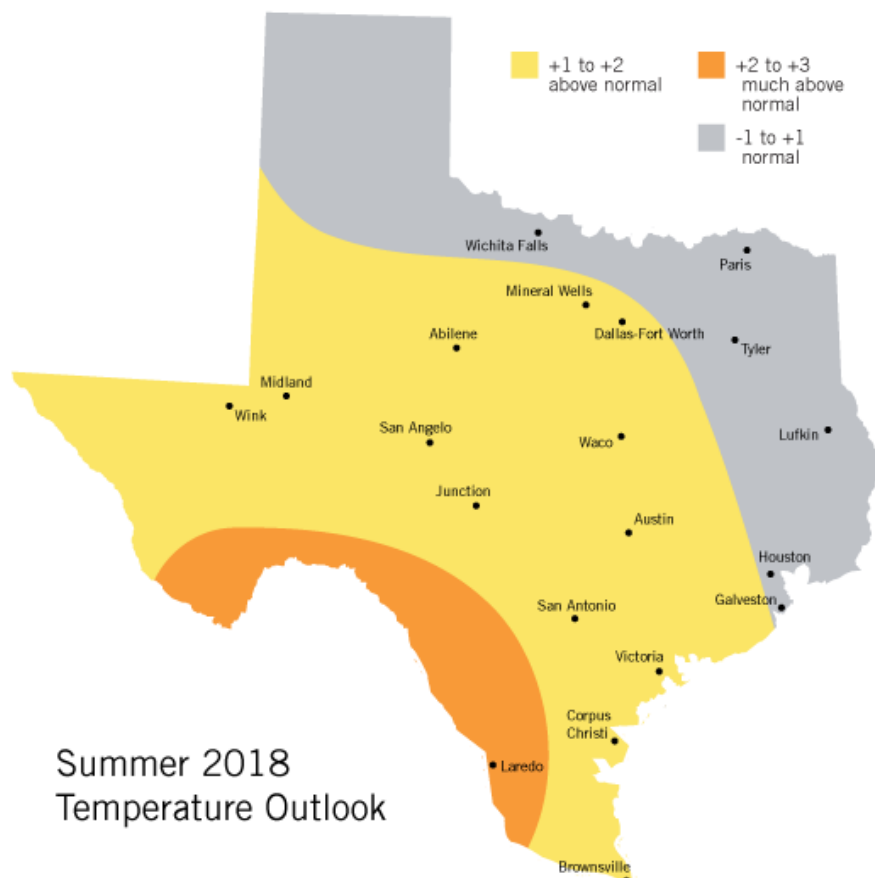


SAFELY DELIVER CLEAN, AFFORDABLE, RELIABLE ENERGY & EXCELLENT CUSTOMER SERVICE

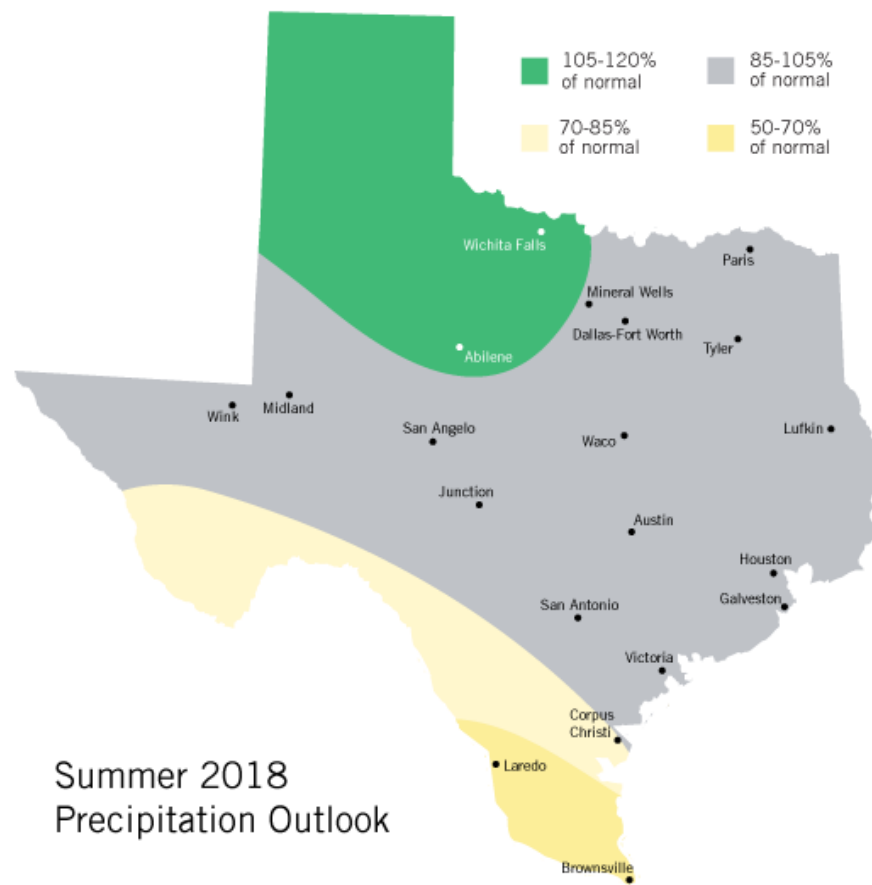




ERCOT Outlook for Region: Hotter and Drier than Normal



Summer 2018
Temperature Outlook



Summer 2018
Precipitation Outlook

Based on a 10-year normal, the ERCOT system's summer is expected to be close to normal. There may be some regional, less hot exceptions – including major populations. **Austin and San Antonio are the most likely to experience a hotter-than-normal summer.** The rainfall forecast for the majority of ERCOT is normal or below-normal precipitation. **Best chance for below-normal rainfall matches the best chance for hotter-than-normal temperatures.**



Goals of this Summer's Effort

- Safety and comfort of all customers
- Manageable utility bills; elevated program adoption
- Water conservation and energy use reduction
- Reliable operation of utility systems



Past Actions Should Help



> 22,000 low income homes weatherized, received water saving devices



26,000 AE web app users
17,000 Dropcountr users
20,282 Outage Alert users



Over 150,000 apartment units- energy efficiency improvements



520,000 rebates at 72 retail locations



Electric (2017) & water rate (2018) reductions

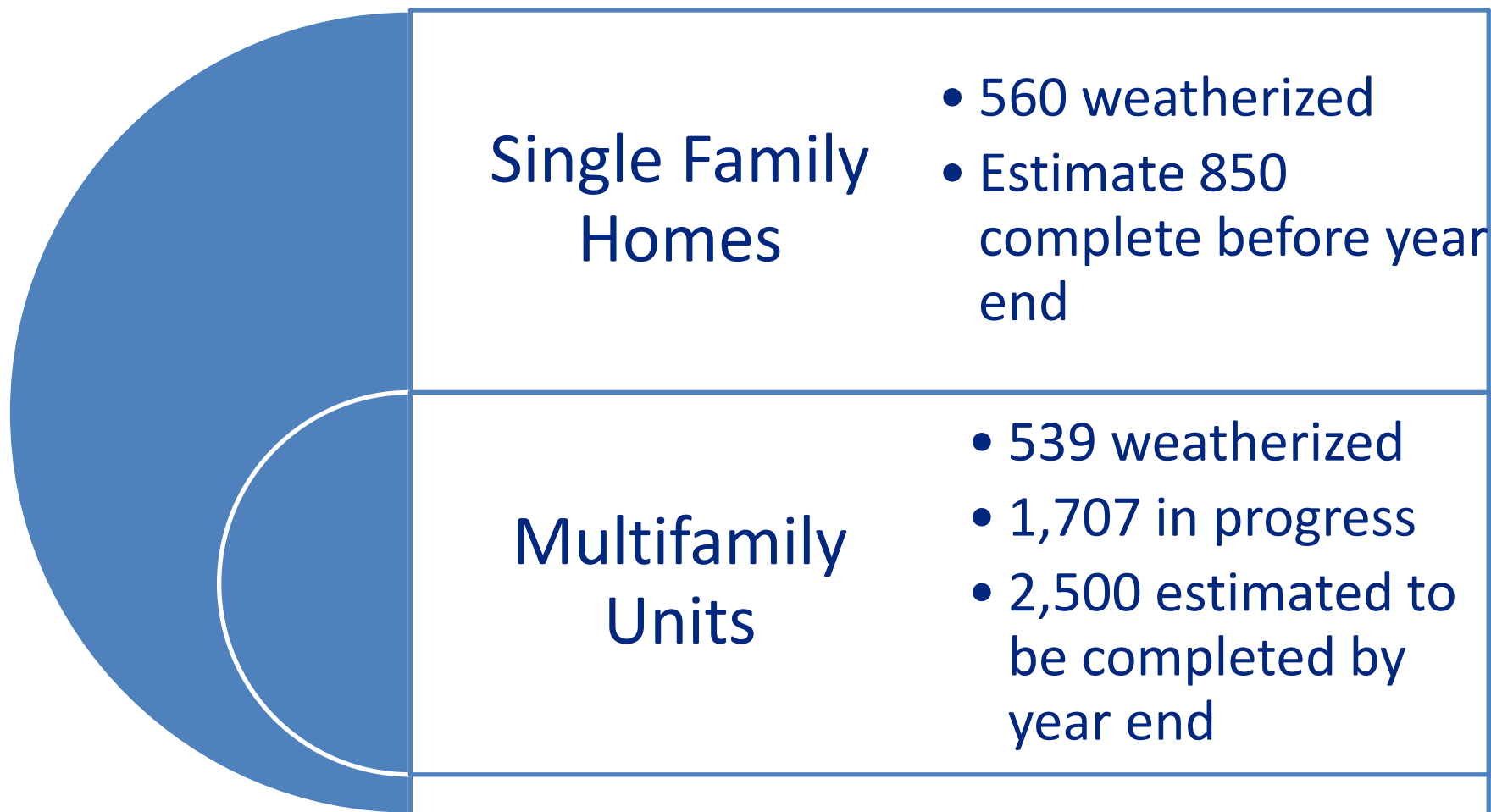
> 85% ECAD compliance



2,300 conservation kits at 22 schools



Low Income Weatherization Results Midyear





Low Income Efforts - Working Together....



HOUSING AUTHORITY
OF THE CITY OF AUSTIN
Bringing Opportunity Home



Google fiber



S.M.A.R.T. Housing™
Safe • Mixed Income • Accessible • Reasonably Priced • Transit Oriented



Austin Area
Urban League



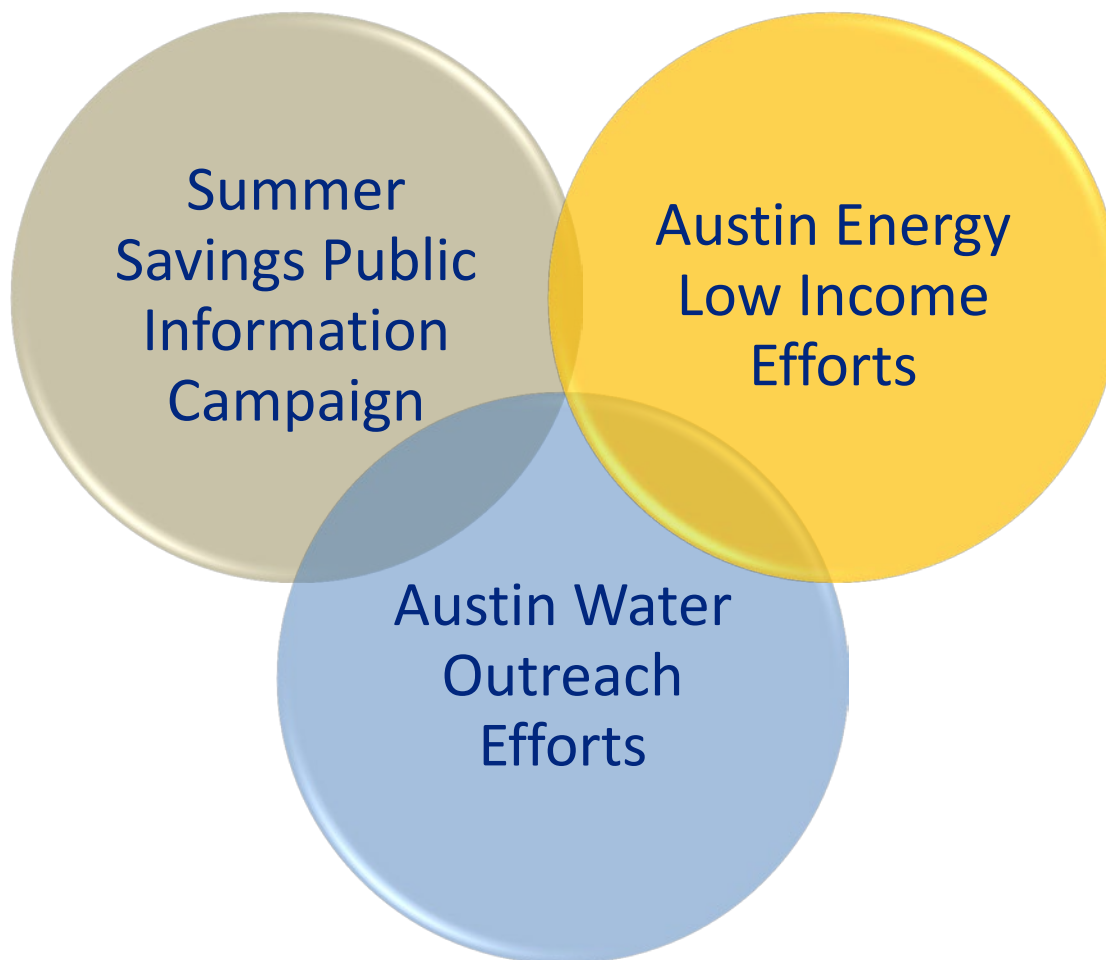
Meals on Wheels and More



Neighborhood Housing and Community Development



3-part Approach to Helping Customers





Public Information Campaign – Key Messages

- Weather drives electric and water use and monthly costs
- Tips empower utility bill management – electric and water

austinenenergy.com/go/summersavings

A promotional banner for Austin Energy's "Enjoy Summer Savings" campaign. The banner has a blue background with a red footer. On the left, it features the Austin Energy logo and the slogan "Customer Driven. Community Focused." Below that is the Austin Water logo. The main text "ENJOY SUMMER SAVINGS" is in large, bold, yellow letters. Below this, it says "Easy tools and tips can help you manage utility bills" followed by a bulleted list of tips: using the web app and Dropcountr app, setting the thermostat to 78 degrees or higher, accessing rebates, and watering lawns on assigned days. On the right, there are two piggy banks, one yellow and one red, both wearing sunglasses. Above them is the text "Release the piggy banks!". The footer contains the text "Visit austinenenergy.com for more summer savings tips and take control of your summer utility bills today!" and "© 2018 Austin Energy".

ENJOY SUMMER SAVINGS

Easy tools and tips can help you manage utility bills

- Use Austin Energy's web app and Austin Water's Dropcountr app.
- Set your thermostat to 78 degrees or higher.
- Access rebates to upgrade home energy efficiency.
- Water lawns on your assigned day.

Release the piggy banks!

Visit austinenenergy.com for more summer savings tips and take control of your summer utility bills today!

A City of Austin program

© 2018 Austin Energy

- Free mobile apps help you understand your use and be informed during outages
- Free high bill energy audits



Communications Channels



Austin American-Statesman



THE AUSTIN
CHRONICLE



Radio

Social Media

Print

TV

Events

Outdoor

Customer
Communications



Some media channels exclusive to Austin Energy



Austin Energy Low-Income Customer, Multi-Family Property Outreach

- Homes
 - ~ 15,000 LEDs & 2,000 low-flow devices
 - Multi-family energy efficiency
 - Offering over 50,000 LEDs & 10,000 low-flow devices
 - Events
 - Repowering Downtown – June 12
 - Family Elder Care Fan Drive – June 15 and beyond
 - Affordable Energy Summit – July 25
 - Back to School, Palmer – August 4
 - Gus Garcia Park – August 5
 - Community Connections – October 20
 - Other events, also in partnership with Public Health
- Purpose**
- **Conservation, Program Awareness and Adoption**
 - **Reduce High Bills**



Austin Water Outreach Efforts



Austin's in CONSERVATION STAGE

Be **extra water wise** during the hot summer months. **Now is a good time** to inspect irrigation systems for leaks and broken components and make sure the correct **Conservation Stage watering schedule** is programmed.

Residential Water Use

AUTOMATIC IRRIGATION

- Even Address: **Thursday**
- Odd Address: **Wednesday**

HOSE-END SPRINKLERS

- Even Address: **Thursday & Sunday**
- Odd Address: **Wednesday & Saturday**

HOURS

- Midnight - 10 a.m. and/or 7 p.m. - Midnight

TREE BUBBLERS, HAND-HELD HOSE, DRIP IRRIGATION

- Any Day/Any Time

HOME CAR WASH

- Allowed with bucket or auto shut-off hose nozzle

Sign up for our **free workshops**, **Irrigation Controllers 101** and **Irrigation System Maintenance for Efficiency**.

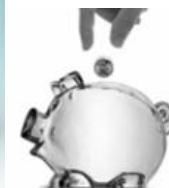
We'll cover the basics of how irrigation controllers work, efficient scheduling strategies and some of the hidden features on most controllers that can help **save water** and **money**.

For details on upcoming workshops, rebates for controllers, irrigation system upgrades and more visit WaterWiseAustin.org

- New affordability landing page
- Rebates and tips
- Targeted messaging in high water use areas
- Irrigation Controller 101 and Maintenance classes in high use areas
- Community wide outreach

AUSTIN WATER MOBILE APP

[CLICK HERE](#)



ENJOY SUMMER SAVINGS

Manage Your **Utility Bills** with Easy Tools and Tips

[Learn More](#)



Summary

- Customer-centered approach – all utilities
- Community outreach
- Focus on customers' ability to manage costs, use technology
- Shared campaign, plus unique campaigns for each utility
- Austin Energy direct install for low-income customers



Austin Energy Corporate Services Report

Fleet Services



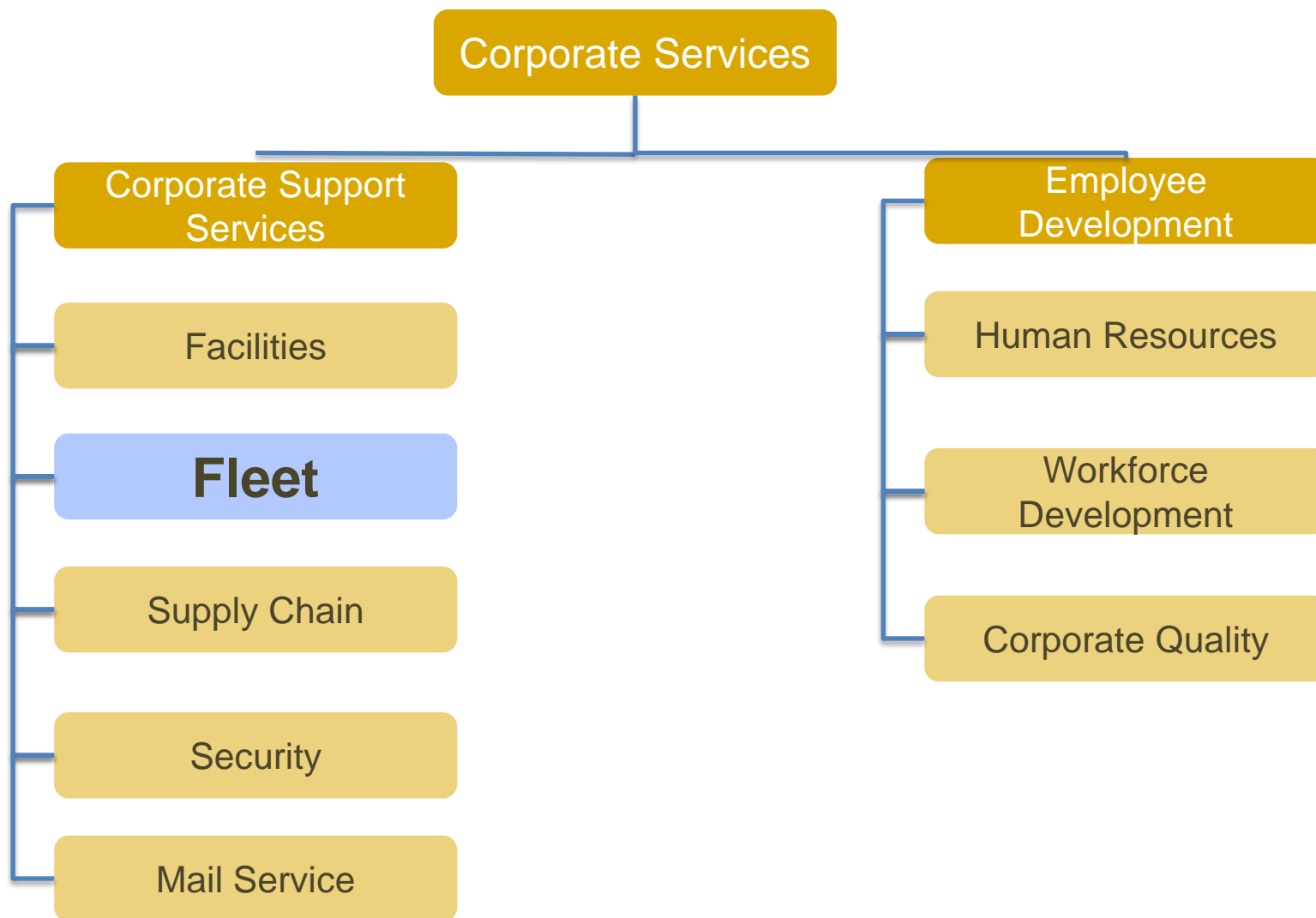


Corporate Services





Corporate Services





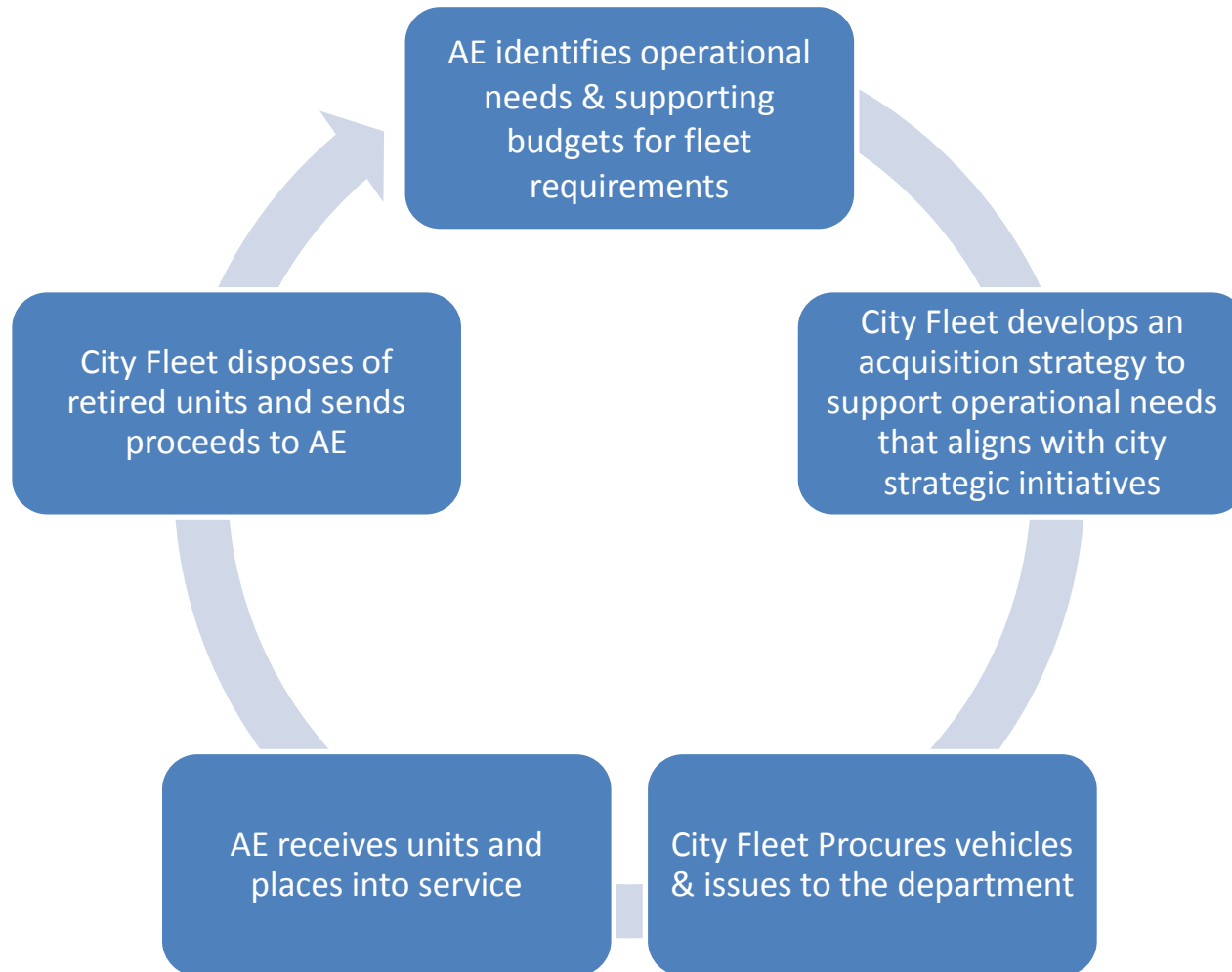
Austin Energy Fleet



Over 800 units comprised of sedans, light duty pickups, Service body vehicles, heavy trucks (digger derricks & bucket trucks), trailers, trailer mounted equipment and other miscellaneous equipment such as forklifts & utility vehicles.



Shared Responsibilities





Environmental Initiatives

Council Resolution 20070215-023

- Climate Protection: "...making the entire City fleet of vehicles carbon neutral by 2020 through the use of electric power, non-petroleum fuels, new technologies, mitigation, and other measures as necessary, prioritizing the earliest possible conversion to such fuels and technologies and establishing timelines and benchmarks for such conversions;"

Council Resolution 20160606-025

- "...an assessment to determine the benefits, timeline, and feasibility of increasing electric vehicle adoption into the City's Fleet Services vehicles."
- Draft Plan COMPLETED in October 2016 that identified 330 city vehicles for electrification to include 65 for AE by 2020.

Council Resolution 20170817-061

- Austin Energy Resource Plan: "Support the City Fleet Services electrification plan by transitioning 65 Austin Energy retired internal combustion engine vehicles to new electric vehicles by 2020."



Vehicle Electrification

Advantages

- Lower maintenance costs
- Lower fuel costs
- Lower to no tail pipe emissions
- Improved battery & travel range
- Declining unit cost
- Expected lower cost of ownership

Disadvantages

- Limited travel range (range anxiety)
- Battery fatigue
- Extended refueling time
- Additional infrastructure
- Higher unit cost on pickups
- Electric options not commercially available for all fleet assets



Balance of Priorities





Opportunities

Category	Current Fuel Type	Quantity	Potential for Electrification
Light Duty Sedan & SUV	Gas/E85/Hybrid	112	✓ Yes
Full Size Cargo & Passenger Vans	Gas/Bio-Diesel	30	✓ Yes
Pickups < 10,000 GVWR	Gas/E85	163	✓ Yes
Other (forklifts, utility vehicles, etc.)	Gas/Bio-Diesel/ Propane/Electric	37	✓ Yes
All Trucks 10,000 – 19,000 GVWR	Gas/Bio-Diesel/ Propane	159	✗ No
All Trucks 19,000 – 60,000 GVWR	Bio-Diesel	96	✗ No



Options: Reduce Fleet Size & Technology

- Austin Energy has initiated a motor pool pilot project.
- Purchased Utilimarc fleet service (third party vendor) to improve efficiencies and provide targets, benchmarks and data analytics for best practice.
- Entered leases for heavy units to maximize exhaust technology and minimize downtime.
- Use alternative fuels (bio-diesel, E85, etc.)



Options: Plug-in Vehicle Technology

Battery Electric Vehicle (BEV)

Example: Nissan Leaf



No gasoline used

No oil changes or transmissions required

60 kWh batteries

150-230 mile range on a single charge

Plug-in Hybrid Electric Vehicle (PHEV)

Example: Chevy Volt



Backup gasoline engine

Oil changes and transmissions required

18 kWh batteries

50 mile range on a single charge

370 miles of gasoline range



Options: Electric Trucks & Off-Road

Electric Trucks

- Currently not commercially available from the manufacturer
- Third parties (e.g. Boston-based XL Hybrids) is a “manufacturer approved upfitter” that includes Ford warranty support and accreditation



Off-Road Applications

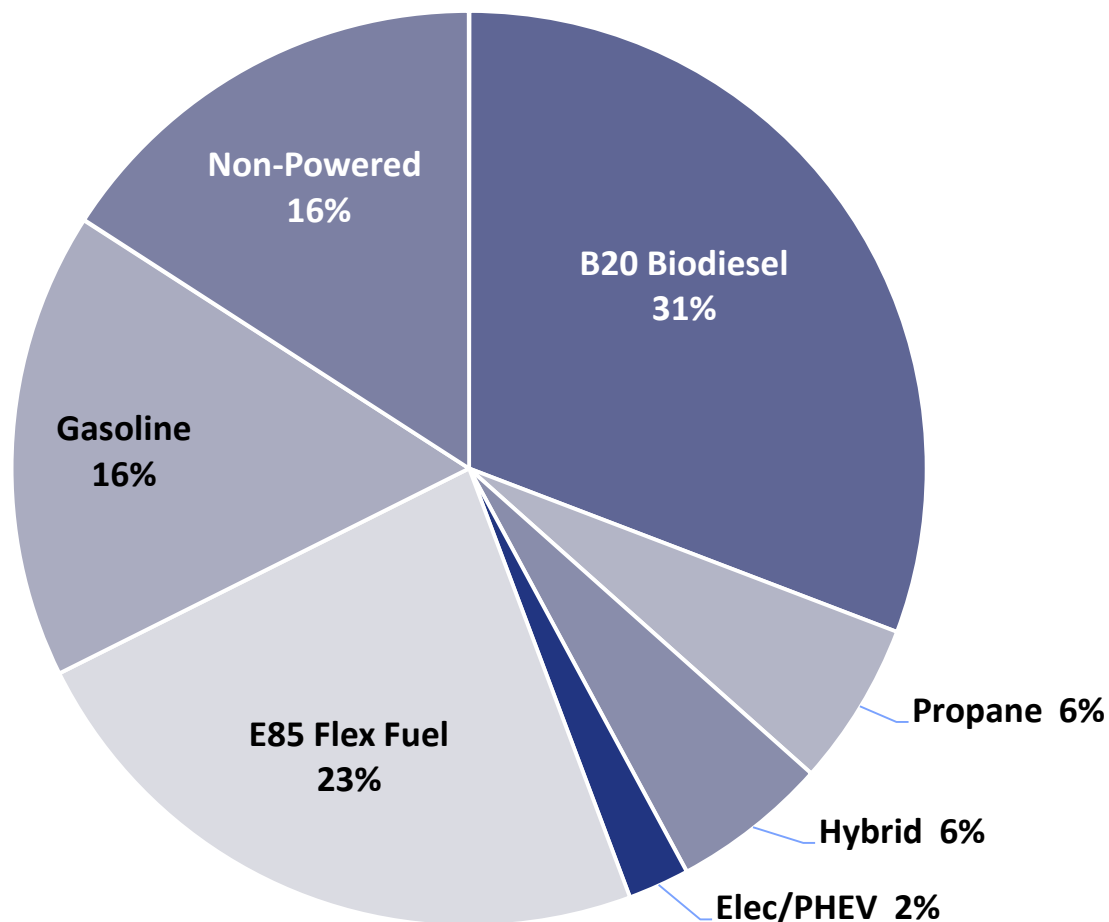
- Electric Utility Terrain Vehicles (EUTVs) are good applications to electrify utility vehicle operations.
- Light and medium duty (8,000 lb.) electric forklifts are effective for inside operations.





Where does Austin Energy Stand?

Fuel Type



8% of Austin Energy's fleet is either a Hybrid or Elec/PHEV unit: 40X greater than industry benchmark.



What's Next?

- Continue efforts to reduce existing fleet.
- Identify opportunities and strategically integrate electric units into existing fleet.
- Evaluate & implement pilot purchases of emerging technologies where prudent.
- Identify and monitor viability of new technologies.
- Work closely with City Fleet Services to support their charging infrastructure requirements for the city-wide electrification plan



Russell Maenius
Acting CFO
Austin Energy

and

Jennifer Walls
Fleet Officer
City Fleet

QUESTIONS?